

# FISCAL NOTE

**Bill #:** SB0128

**Title:** State special revenue account for criminal history record dissemination

**Primary Sponsor:** Mahlum, D

**Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
General Fund	(\$120,794)	(\$120,839)
State Special Revenue	\$290,589	\$290,589
<b>Revenue:</b>		
General Fund	(\$62,000)	(\$62,000)
State Special Revenue	\$412,346	\$474,198
<b>Net Impact on General Fund Balance:</b>	<b>\$58,794</b>	<b>\$58,839</b>

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|--|--|
| <input type="checkbox"/> Significant Local Gov. Impact               | <input type="checkbox"/> Technical Concerns                      |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. SB 128 establishes a state special revenue account in the Department of Justice to fund a unit to process civil requests for criminal background checks.
2. This bill provides funding for a significant expansion of services due to an increase in requests for fingerprint-based checks for non-criminal justice purposes over the biennium for state and federal homeland security initiatives. The entities requesting the checks include youth organizations, nursing homes, schools, public health, volunteer organizations, and other direct-care and public safety providers.
3. Fees collected from criminal history record checks for non-criminal justice entities have been deposited in the state general fund since 1973.
4. Upon passage and approval of this bill, revenues for criminal history record checks will be deposited in the state special revenue account.
5. The following chart provides actual general fund deposits from criminal history record checks in FY 2000 – FY 2002 and provides projections for FY 2003 – FY 2005.

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(continued)

	<i>FY 2000</i>	<i>FY 2001</i>	<i>FY 2002</i>	<i>FY 2003</i>	<i>FY 2004</i>	<i>FY 2005</i>
<b>Without SB 128</b>						
<b>General Fund Revenue</b>	<b>\$127,931</b>	<b>\$155,295</b>	<b>\$182,412</b>	<b>\$358,562</b>		
<b>Less expenditures</b>	<b>\$176,723</b>	<b>\$176,476</b>	<b>\$197,338</b>	<b>\$198,572</b>		
<b>Net General Fund</b>	<b>(\$48,792)</b>	<b>(\$21,181)</b>	<b>(\$14,926)</b>	<b>\$159,990</b>		
<b>SB 128 State Special Revenue</b>					<b>\$412,346</b>	<b>\$412,346</b>

FY 2000-2003 data is projected as follows:

- Expenditures are based on actual personal service and operating costs for the 6.00 FTE that are currently doing the workload.
- Fifty-one percent of the revenue gathered in FY 2002 was collected in the first half of the year.
- On July 1, 2003, the fingerprint-based checks fee increased from \$5 to \$8.
- Through December of FY 2003, the revenue totaled \$182,867.
- By FY 2003 end the revenue is anticipated to be about \$358,000. ( $\$182,867 / .51 = \$358,562$ )

FY 2004 and 2005 estimates are calculated as follows:

- The last several years the growth in revenue has been 15 percent each year; therefore, the following calculations were used for FY 2004 [ $(\$358,562 \times .15 = \$53,784) + \$358,562 = \$412,346$ ].
  - It is assumed that the largest growth will occur in FY 2003 & 2004. In addition, due to unknowns in homeland defense initiatives, the FY 2005 revenues are anticipated to remain at FY 2004 levels.
- Included in the Executive Budget is a new proposal fund switch for 6.00 FTE who are responsible for processing civil and criminal requests, and replaces 67 percent of the general fund with state special revenue to save the general fund \$120,794 each year.
  - In FY 2003 there are 2.00 FTE temporarily funded through the end of the year with grant money. The money collected for the services they provide goes to the general fund.
  - The same new proposal in the Executive Budget will fund 3.00 FTE with state special revenue upon passage and approval of this bill. The amount recommended is \$169,795 in FY 2004, and \$169,532 in FY 2005. (FY 2004 = \$101,679 personal services \$68,116 operating) (FY 2005= \$101,416 personal services \$68,116 operating)
  - Without the state special revenue to fund the staff and the total decision package in the amount of \$290,589 in FY 2004 and \$290,371 in FY 2005, the resources will be reduced for the department to provide the criminal history record checks for non-criminal justice entities and there will not be any revenue collected for the general fund.
  - The general fund has lost money on this program in three of the last four years. Now that demand for the service has increased, the general fund will lose some revenue in the 2005 biennium as a result of this bill, based on current FY 2003 projections.
  - For purposes of estimating the loss in revenue for this fiscal note, the total cost of the 9.00 FTE minus the revenue projections is used to calculate a possible loss of about \$62,000 in general fund revenue shown in the fiscal note.

## FISCAL IMPACT:

<b>Department of Justice IT Division</b>	<b><u>FY 2004</u></b> <b><u>Difference</u></b>	<b><u>FY 2005</u></b> <b><u>Difference</u></b>
FTE	3.00	3.00
<u>Expenditures:</u>		
Personal Services	\$222,473	\$222,225
Operating Expenses	<u>68,116</u>	<u>68,116</u>
TOTAL	\$290,589	\$290,371

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(continued)

Funding of Expenditures:

State Special Revenue (02)	\$290,589	\$290,371
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Revenues:

General Fund (01)	(\$62,000)	(\$62,000)
State Special Revenue (02)	\$412,346	\$474,198

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01) SB 128	\$58,794	\$58,839
State Special Revenue (02)	\$121,757	\$183,827